

# **EXHIBIT 3**

CHAPTER 316

*An act to amend Section 1 of Chapter 1975 of the Statutes of 1963, relating to tide and submerged lands granted in trust to the City of Palos Verdes Estates.*

[Approved by Governor June 17, 1968. Filed with  
Secretary of State June 17, 1968]

*The people of the State of California do enact as follows:*

SECTION 1. Section 1 of Chapter 1975 of the Statutes of 1963 is amended to read:

Section 1. There is hereby granted to the City of Palos Verdes Estates, a municipal corporation of the State of California, and to its successors, all the right, title and interest of the State of California held by said state by virtue of its sovereignty in and to all tidelands and submerged lands, whether filled or unfilled, which are described as follows:

That part of state-owned tide and submerged land which lies directly joining the Mean High Tide Line of the Pacific Ocean along the City of Palos Verdes Estates, California, and is limited to the following extent:

In the south by a line which is a westerly prolongation of the southerly boundary of Tract 4400, as recorded in Book 72, pages 95-96 of Maps in the office of the Recorder of Los Angeles County.

In the north by a line which is a westerly prolongation of the northerly boundary of Tract 4400 as recorded in Book 72, pages 95-96 of Maps in the office of the Recorder of Los Angeles County.

In the east by the Mean High Tide Line of the Pacific Ocean between the above described southerly and northerly limits.

In the west by the southwesterly boundary of the County of Los Angeles between the above described southerly and northerly limits.

To be forever held by said city and by its successors in trust for the use and purposes, and upon the express conditions following, to wit:

(a) That said lands shall be used by said city and its successors for purposes in which there is a general statewide interest as follows:

(1) For the establishment, improvement and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of commerce and navigation.

(2) For the establishment, improvement and conduct of an airport and heliport or aviation facilities, including but not limited to approach, takeoff and clear zones in connection with airport runways, and for the construction, reconstruction, repair, maintenance and operation of terminal buildings, runways, roadways, aprons, taxiways, parking areas, and all other works, building, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of air commerce and air navigation.

(3) For the construction, reconstruction, repair and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary or convenient for the promotion and accommodation of any of the uses set forth in this Section 1.

(4) For the construction, reconstruction, repair, maintenance and operation of public buildings, public assembly and meeting places, convention centers, parks, playgrounds, bathhouses and bathing facilities, recreation and fishing piers, public recreation facilities, including but not limited to public golf courses, and for all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any such uses.

(5) For the establishment, improvement and conduct of small boat harbors, marinas, aquatic playgrounds and similar recreational facilities, and for the construction, reconstruction, repair, maintenance and operation of all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any of such uses, including but not limited to snackbars, cafés, restaurants, motels, hotels, launching ramps and hoists, storage sheds, boat repair facilities with cranes and marine ways, administration buildings, public restrooms, bait and tackle shops, chandleries, boat sales establishments, service stations

and fuel docks, yacht club buildings, parking areas, roadways, pedestrian ways and landscaped areas.

(6) For the establishment, preservation, restoration, improvement, or maintenance of intertidal and subtidal marine biological reserves, restoration and maintenance of kelp forests, abalone and other shellfish and related fishery resources, development of nature study trails and areas, exhibits, research projects, preservation of areas of unique ocean phenomena for activities such as surfing and other water sports, and the natural beauty and biological resources and activities related thereto, subject to the prior approval of the Fish and Game Commission as to those matters which are subject to regulation by the commission, pursuant to the Fish and Game Code.

(b) Said city, or its successors shall not, at any time, grant, convey, give or alienate said lands, or any part thereof, to any individual, firm or corporation for any purposes whatever; provided, that said city, or its successors, may grant franchises thereon for limited periods, not exceeding 66 years, for wharves and other public uses and purposes, and may lease said lands, or any part thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which said lands are held by the State of California, and with the requirements of commerce and navigation, and collect and retain rents and other revenues from such leases, franchises and privileges. Such lease or leases, franchises and privileges may be for any and all purposes which shall not interfere with commerce and navigation.

Nothing contained in this paragraph (a) shall be deemed to affect the validity or term of any franchise previously granted by said city under the Franchise Act of 1937 (Chapter 2 (commencing at Section 6101), of Division 3 of the Public Utilities Code), and any such franchise shall be effective with respect to said land when title thereto passes to said city hereunder.

(c) Said lands shall be improved without expense to the state; provided, however, that nothing contained in this act shall preclude expenditures for the development of said lands for any public purpose not inconsistent with commerce, navigation and fishery, by the state, or any board, agency or commission thereof, when authorized or approved by the city, nor by the city of any funds received for such purpose from the state or any board, agency or commission thereof.

(d) In the management, conduct, operation and control of said lands or any improvements, betterments, or structures thereon, the city or its successors shall make no discrimination in rates, tolls or charges for any use or service in connection therewith.

(e) The State of California shall have the right to use without charge any transportation, landing or storage improvements, betterments or structures constructed upon said lands for any vessel or other watercraft or railroad owned or operated by the State of California.

Ch. 317]

1968 REGULAR SESSION

689

(f) There is hereby reserved to the people of the State of California the right to fish in the waters on said lands with the right of convenient access to said water over said lands for said purpose.

(g) There is hereby excepted and reserved in the State of California all deposits of minerals, including oil and gas, in said lands, and to the State of California or persons authorized by the State of California, the right to prospect for, mine, and remove such deposits from said lands.

(h) Said lands are granted subject to the express reservation and condition that the state may at any time in the future use said lands or any portion thereof for highway purposes without compensation to the city, its successors or assigns, or any person, firm or public or private corporation claiming under it, except that in the event improvements, betterments or structures have been placed upon the property taken by the state for said purposes, compensation shall be made to the person entitled thereto for the value of his interest in the improvements, betterments or structures taken or the damages to such interest.

(i) The State Lands Commission shall, at the cost of the city, survey and monument the granted lands and record a description and plat thereof in the office of the County Recorder of Los Angeles County.

(j) Within 10 years from the effective date of this act the granted lands shall be substantially improved, restored, preserved, or maintained by the city without expense to the state and if the State Lands Commission determines that the city has failed to improve, restore, preserve, or maintain said lands as herein required, all right, title, and interest of said city in and to all lands granted by this act shall cease and all said right, title and interest in the granted lands shall revert and rest in the state.

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Senate Bill No. 844

Passed the Senate May 13, 1968

An act to amend Section 1 of Chapter 1975 of the Statutes of 1963, relating to tide and submerged lands granted in trust to the City of Palos Verdes Estates.

The people of the State of California do enact as follows:

Secretary of the Senate

SECTION 1. Section 1 of Chapter 1975 of the Statutes of 1963 is amended to read:

Section 1. There is hereby granted to the City of Palos Verdes Estates, a municipal corporation of the State of California, and to its successors, all the right, title and interest of the State of California held by said state by virtue of its sovereignty in and to all tidelands and submerged lands, whether filled or unfilled, which are described as follows:

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In the west by the southwesterly boundary of the County of Los Angeles between the above described southerly and northerly limits.

To be forever held by said city and by its successors in trust for the use and purposes, and upon the express conditions following, to wit:

(a) That said lands shall be used by said city and its successors for purposes in which there is a general statewide interest as follows:

(1) For the establishment, improvement and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, ships, quays, and all other works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of commerce and navigation.

Chief Clerk of the Assembly

This bill was received by the Governor this 17 day of June, 1968, at 10 o'clock M.

Private Secretary of the Governor

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(2) For the establishment, improvement and conduct of an airport and heliport or aviation facilities, including but not limited to approach, takeoff and clear zones in connection with airport runways, and for the construction, reconstruction, repair, maintenance and operation of terminal buildings, runways, roadways, aprons, taxiways, parking areas, and all other works, building, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of air commerce and air navigation.

(3) For the construction, reconstruction, repair and maintenance of highways, streets, roadways, bridges, belt line railroads, parking facilities, power, telephone, telegraph or cable lines or landings, water and gas pipelines, and all other transportation and utility facilities or betterments incidental, necessary or convenient for the promotion and accommodation of any of the uses set forth in this Section 1.

(4) For the construction, reconstruction, repair, maintenance and operation of public buildings, public assembly and meeting places, convention centers, parks, playgrounds, bathhouses and bathing facilities, recreation and fishing piers, public recreation facilities, including but not limited to public golf courses, and for all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any such uses.

(5) For the establishment, improvement and conduct of small boat harbors, marinas, aquatic playgrounds and similar recreational facilities, and for the construction, reconstruction, repair, maintenance and operation of all works, buildings, facilities, utilities, structures and appliances incidental, necessary or convenient for the promotion and accommodation of any of such uses, including but not limited to snackbars, cafés, restaurants, motels, hotels, launching ramps and hoists, storage sheds, boat repair facilities with cranes and marine ways, administration buildings, public restrooms, bait and tackle shops, chandleries, boat sales establishments, service stations and fuel docks, yacht club buildings, parking areas, roadways, pedestrian ways and landscaped areas.

(6) For the establishment, preservation, restoration, improvement, or maintenance of intertidal and subtidal marine biological reserves, restoration and maintenance of kelp forests, abalone and other shellfish and related fishery resources, development of nature study trails and areas, exhibits, research projects, preservation of areas of unique ocean phenomena for activities such as surfing and other water sports, and the natural beauty and biological resources and activities related thereto, subject to the prior approval of the Fish and Game Commission as to those matters which are subject to regulation by commission pursuant to the Fish and Game Law.

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(b) Said city or its successors shall not, at any time, grant, convey, give or alienate said lands, or any part thereof, to any individual, firm or corporation for any purpose, whatever provided, that said city, or its successors, may grant franchises thereon for limited periods, not exceeding 66 years, for wharves and other public uses and purposes, and may lease said lands, or any part thereof, for limited periods, not exceeding 66 years, for purposes consistent with the trusts upon which said lands are held by the State of California, and with the requirements of commerce and navigation, and collect and retain rents and other revenues from such leases, franchises and privileges. Such lease or leases, franchises and privileges may be for any and all purposes which shall not interfere with commerce and navigation.

Nothing contained in this paragraph (a) shall be deemed to affect the validity or term of any franchise previously granted by said city under the Franchise Act of 1937 (Chapter 2, (commencing at Section 6101), of Division 3 of the Public Utilities Code), and any such franchise shall be effective with respect to said land when title thereto passes to said city hereunder.

(c) Said lands shall be improved without expense to the state; provided, however, that nothing contained in this act shall preclude expenditures for the development of said lands for any public purpose not inconsistent with commerce, navigation and fishery, by the state, or any board, agency or commission thereof, when authorized or approved by the city, nor by the city of any funds received for such purpose from the state or any board, agency or commission thereof.

(d) In the management, conduct, operation and control of said lands or any improvements, betterments, or structures thereon, the city or its successors shall make no discrimination in rates, tolls or charges for any use or service in connection therewith.

(e) The State of California shall have the right to use without charge any transportation, landing or storage improvements, betterments or structures constructed upon said lands for any vessel or other watercraft or railroad owned or operated by the State of California.

(f) There is hereby reserved to the people of the State of California all deposits of minerals, including oil and gas, in said lands, and to the State of California, or persons authorized by the State of California, the right to prospect for, and remove such deposits from said lands.

(g) There is hereby excepted and reserved in the State of California all deposits of minerals, including oil and gas, in said lands, and to the State of California, or persons authorized by the State of California, the right to prospect for, and remove such deposits from said lands.

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(h) Said lands are granted subject to the express reservation and condition that the state may at any time in the future use said lands or any portion thereof for highway purposes without compensation to the city, its successors or assigns, or any person, firm or public or private corporation claiming under it, except that in the event improvements, betterments or structures have been placed upon the property taken by the state for said purposes, compensation shall be made to the person entitled thereto for the value of his interest in the improvements, betterments or structures taken or the damages to such interest.

(i) The State Lands Commission shall, at the cost of the city, survey and monument the granted lands and record a description and plat thereof in the office of the County Recorder of Los Angeles County.

(j) Within 10 years from the effective date of this act the granted lands shall be substantially improved, restored, preserved, or maintained by the city without expense to the state and if the State Lands Commission determines that the city has failed to improve, restore, preserve, or maintain said lands as herein required, all right, title, and interest of said city in and to all lands granted by this act shall cease and all said right, title and interest in the granted lands shall revert and rest in the state.

JEW  
JORDS

President of the Senate

Speaker of the Assembly

Approved July 17, 1968

Governor